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boost a key interest rate to 8.25 percent.

Coldwell, a former President of the Dallas Federal Reserve Bank, in an interview that he thought the move to higher rates premature. But beyond that, he said, "I thought philosophically the Federal Reserve shouldn't be in the position of negating what Congress wants to do."

This, of course, is precisely the view Reuss communicated to Burns last week in a strongly worded letter. It also reflected the position of others on the Banking Committee, which has a new, semi-monitoring relationship to the Federal Reserve.

If national policy is designed to stimulate the economy through a tax cut, Reuss suggests, what good does it do if Arthur Burns & Co. come along and tighten up the money supply to counter that thrust?

Review.

members, had opportunities to discuss his qualifications for the job when his name was informally discussed prior to his appointment.

Moreover, he points out that over a period of nearly five years that he and Brimmer were on the Open Market Committee (OMC) together—Coldwell as president of the Dallas Fed, and Brimmer as a governor—the two of them usually voted together, on the conservative side against unduly expansionary policy.

The fact is that over the years, neither Brimmer nor anyone else can point to a record of frequent or consecutive dissents from the Chairman's position. Mostly, an occasional dissent in one month is followed by ac-

was to make money much easier.

"They took the other course," Coldwell's economic policy (wage and price controls) on Aug. 15, 1971. I think a more moderate course then would have dampened inflation later."

Despite his June vote against a slightly restrictive policy, Coldwell shuns the demands of Reuss and other Democratic liberals for a strongly expansionary monetary stance, for the year ahead. Like Burns, he wants to pursue a moderate course to ward off an inflationary potential later on.

Unlike Burns, he has little enthusiasm for getting back into "incomes policy" involving any form of wage-price intervention. On that issue, Coldwell notes with a smile, "Burns talked in terms of his own thinking, not in terms of the Board."

*Rowland Evans and Robert Novak*

# Kissinger, Schlesinger and SALT

Although the Pentagon now has been brought into the heart of policy-making on Strategic Arms Limitations Talks (SALT), there is widespread suspicion that Secretary of State Henry A. Kissinger will abandon the military's position if necessary to avoid stalemate with the Soviets.

The fact that Kissinger finessed the Defense Department out of a seat at recent SALT conversations in Helsinki, while not inherently important, demonstrates he is not fully sharing the stage. There is, moreover, informed opinion high in the government that Kissinger will not endanger a SALT agreement by sticking to the Pentagon position on critical questions affecting long-range security of the United States and short-range political success for Gerald R. Ford.

If Kissinger seeks new compromises, the final decision will be President Ford's. He maintains total confidence in Kissinger, and some high-ranking officials cannot imagine him breaking with his Secretary of State if that would prevent 1975 agreement with the Soviets. Other officials, however, believe the President's interests are not identical to Dr. Kissinger's and that he must be prepared to support the harder-line Pentagon position.

Actually, preparations for U.S.-Soviet SALT sessions at Helsinki were far less of a one-man show than in the past. Secretary of Defense James Schlesinger, Kissinger's arch-rival inside the administration, attended two top-level planning sessions. Schlesinger and Gen. George Brown, chairman of the Joint Chiefs of Staff, met with the President at a third meeting, which did not include Kissinger.

The result: a unified U.S. position at Helsinki, including Kissinger's acceptance of the Pentagon's tough standard for counting Soviet MIRVs (multiple independent re-entry vehicles). That turned into a vindication of Schlesinger's arguments for hard bargaining when Soviet leader Leonid Brezhnev agreed in Helsinki to MIRV verification.

But picayune maneuverings over whether the Pentagon would have its own man in Helsinki undercut this unity. As we reported earlier, Schlesinger requested that a high level Pentagon representative attend the Helsinki bilateral negotiations about SALT. Acting on Kissinger's recommendation, Mr. Ford replied the Soviets wanted only four persons per side—definitely excluding the military of both nations.

Schlesinger, therefore, sent nobody. But at Helsinki, the cozy four-man game suddenly doubled, with eight Americans and eight Russians sitting in—including, unexpectedly, Gen. Mikhail Kozlov, deputy chief of the Soviet general staff.

Pentagon officials concluded Henry had tricked them again. Elsewhere in the bureaucracy, the interpretation was that Kissinger was determined not to let his Kremlin counterparts think he was being outflanked by Schlesinger. Nothing occurred at Helsinki to alarm the Pentagon. But Kissinger's maneuverings raised doubt about how long he—and the President—will stick to these hard bargaining points:

The Soviet Backfire bomber: The Kremlin contends it is only a local weapon and is not to be counted among strategic weapons according to the SALT agreement reached in Vladivostok last November. But the Backfire can easily reach the continental United States on a one-way flight and, by refueling in Cuba, could make a round trip. Therefore, the U.S. insists the Backfire must be counted among strategic weapons.

Cruise missiles: The Soviets claim the Vladivostok agreement counts as strategic weapons subsonic cruise missiles, fired from bombers, with a range over 600 kilometers. But the U.S. military contends that this conveniently discriminates against U.S. cruise missiles which could reach the Russian heartland.

Missile size: The Pentagon, backed by U.S. disarmament director Fred Ikle, considers it vital to negotiate reductions in the huge Soviet advantage of larger missiles and believes Brezhnev is now ready to negotiate.

The question of U.S. survival may depend more on missile size than on any other issue. But in the short run, the Backfire bomber is most politically combustible. Should the U.S. permit this menace to the U.S. heartland to be omitted from strategic weapons, Mr. Ford would be open for intense political assault.

When Kissinger first returned from Helsinki, colleagues found him pessimistic about prospects for a SALT agreement this year and wedded to a tough bargaining position. But more recently, the officials describe him as reverting to his old theme of this being the last chance for agreement that would avoid additional multi-billion-dollar defense requirements. If he follows that through by recommending key concessions, Mr. Ford will face the most difficult and most fateful choice of his presidency.